

2012: The Year of Downtown

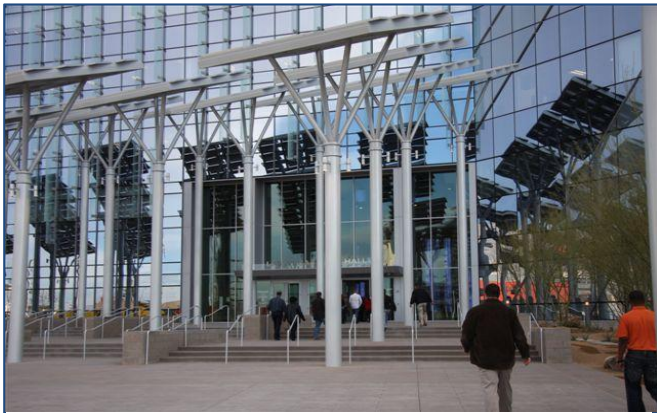


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NEWS UPDATE NEWS UPDATE NEWS UPDATE



Entrance to the new Las Vegas City Hall

New City Hall Now Open

The evening of March 5 was the date for the official grand opening and lighting ceremony for the brand new Las Vegas City Hall. However, many city departments have been operating out of the new location as early as Feb. 21. The new seven-story, 309,000-square-foot city hall is located at 495 S. Main Street. It can be found downtown between First and Main streets and Lewis and Clark avenues, and is two blocks south of the Golden Nugget hotel-casino. It is also near the newly built Bonneville Transit Center. The New City Hall, along with the Bonneville Transit Center, have been designed to serve as anchor tenants for further downtown development.

A newly built five-story parking garage is located immediately across the street from the new city building. Visitors will receive a ticket upon entering the garage. Please bring the ticket into City Hall, as the first two hours of parking are free with validation. (See city staff for assistance.) If a fee is owed, before leaving the facility payment should be made by visiting one of the payment machines located on the ground floor by the elevators. Payment machines accept cash and Visa/MasterCard debit and credit cards. Once the parking fee has been paid, the ticket will be returned and will need to be used to exit the garage.

Zappos Heads Downtown

The **Las Vegas City Council**, on Feb. 1, 2012, approved a final development agreement with **Resort Gaming Group** (RGG), which will see the former Las Vegas City Hall site turned into a corporate campus for **Zappos.com, Inc.** The deal made between the city and RGG, owned in part by CEO Andrew Donner, will bring at least 1,200 jobs initially to the city and a total economic impact of more than \$336.6 million when Zappos opens its doors.

"The relocation of Zappos' corporate headquarters to downtown is triggering more interest, more business investments and a resurgence of enthusiasm for living and working in the heart of the city," **Mayor Carolyn G. Goodman** said. "You can already see the investments that Zappos CEO Tony Hsieh is making downtown with sponsoring events like First Friday and being so supportive of small, startup business development. The entrepreneurs in the Fremont East Entertainment District and the city's work in revitalizing the area have really been the catalysts that have sparked Zappos' interest in downtown, and we are ecstatic to welcome the company and its employees."

Ranked for the fourth straight year among FORTUNE's "100 Best Companies to Work For," the Zappos Family of Companies intends to relocate its corporate headquarters to the current City Hall site in late 2013, after completing building renovations. Zappos' plans for the site include adapting the site to accommodate up to 2,000 employees.

The promissory note will be secured by a mortgage on the building and a 15-year, triple-net lease with Zappos, which in turn is guaranteed by **Amazon**, parent company of Zappos.



Zappos, continued...

Zappos is funding the building improvements at a projected expense of up to \$40 million. More than 100 construction jobs are expected to be created during the renovation, according to a study prepared for the city in December 2011 by RCG Economics.

Zappos' corporate headquarters is expected to generate \$126.3 million in employee wages and benefits, according to the RCG report. In addition, the redevelopment of the site is projected to increase the taxable value of the site from \$33 million (now tax exempt) to approximately \$64.5 million (non-exempt), resulting in the city collecting approximately \$395,900 annually in property taxes not previously received.

RGG and Zappos have an option to purchase an additional 10 acres directly east of the City Hall for the expansion of its corporate campus. The development of the additional acreage would bring a direct investment of approximately \$269.5 million in private funds to the area, which would establish recurring operational benefits of approximately \$275.3 million per year within the city's downtown core, according to the RCG Report. The development of the additional parcels would create approximately 2,148 full-time and part-time construction jobs over the course of six years and approximately 3,203 full-time and part-time permanent jobs once construction is completed, according to the same report. In addition, the development of the additional parcels would add more than \$258 million of taxable property to the assessor's tax rolls at the completion of construction on a site that is currently vacant and owned by the city.

According to Donner, who, along with his partners, brokered the deal that brings Zappos downtown, this transaction helps ensure the ongoing downtown revitalization that began many years ago. "While progress on downtown redevelopment has made great strides in recent years...with the realization of this deal, downtown is on the cusp of becoming the next great place in Las Vegas," Donner said.

The property is being purchased by RGG for \$18 million. In addition to a \$3 million cash payment at closing, the city will receive a \$15 million promissory note with a market interest rate over the second half of the note. Escrow is scheduled to close on or before April 1, 2012.



The city is protected in the event of a default; the property will revert back to the city, complete with any building improvements.

Proceeds from the sale and tax increment revenue will be used to offset the cost of the new City Hall located at 495 S. Main St.

Publication Details Neighborhood Development

A recently released publication details the city's efforts to provide quality affordable housing for area seniors and families with low incomes. The publication, ***City of Las Vegas Neighborhood Development 2012***, covers development of senior residences, single and multifamily housing and Neighborhood Stabilization Program (NSP) home sales and rentals.

Using multiple pictures and concise, easy-to-read descriptions the publication highlights:

- Over 225 family units built that are providing safe and attractive environments for local families with lower incomes.
- Multifamily housing constructed, which provides high-quality living for 177 local active seniors.
- Construction of 90 assisted-living units providing a hotel-like environment and services for seniors who can no longer live independently.
- Single-family housing development that used special financing to enable area families to experience the American dream of owning their own home.

Neighborhood Development Division Manager Tim Whitright, with the city's Economic and Urban Development Department, emphasized the continued need for affordable housing in our area. Whitright noted that local unemployment remains higher than the national average and that Las Vegas is expected to see another 100,000 foreclosures over the next five years.

To view a copy of this publication, please visit <http://1.usa.gov/xpiIzf>.